MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

UEQ3612 – EQUITY & TRUSTS I

(All Sections / Groups)

23 OCTOBER 2017
Reading Time : 2.30pm -2.45pm
(15 Minutes)
Answering Time: 2.45pm-5.45pm
(3 Hours)

INSTRUCTIONS TO STUDENT

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 3 pages with 5 questions only.

3. You **MUST answer QUESTION 1 from Section A** and **choose THREE out of FOUR questions from Section B.**

4. Students are allowed to bring into Examination Hall CLEAN and ORIGINAL copy of Wills Act 1959.

   Students are not allowed to lend or borrow statute(s) during the Examination.

5. Please write all your answers in the Answer Booklet provided.

SECTION A (COMPULSORY QUESTION)

QUESTION 1

Chong, a former professor at Al-Bukhary University made the following bequests in his will. Consider the validity and effect of the following testamentary gifts.

(a) RM 500,000.00 to my executors on trusts to provide law reports for business law students studying at private colleges worldwide. (5 marks)

(b) RM 200,000.00 to fund 'speaking engagements by prominent followers of the Roman Catholic religion. (5 marks)

(c) RM 250,000.00 'to stop global climate change'. (5 marks)

(d) RM 150,000.00 to my executors to provide snooker tables in the Al-Bukhary student union (5 marks)

(e) RM 120,000.00 to the One Mansion Tennis Club Foundation for turf repairs and maintenance. No institution of this name has ever existed, though a charitable corporation, One Mansion Tennis for Juniors, has existed for 30 years. Ten years ago it replaced its grass tennis courts with all-weather surfaces; (5 marks)

Chong has died. Advise the executors on the validity of these gifts.

(Total: 25marks)

SECTION B

Choose THREE out of FOUR questions from this section.

QUESTION 2

(a) Discuss the reasons or justifications of enforcing secret trusts. Support your answer with examples. (10 marks)

Continued...

(b) By her will, Rita left her house to Luke and her shares at Star Ltd to Brian. The will stated that Brian was to hold the shares on trust 'for the purposes indicated by me to him'. After executing the will, Rita handed Brian an envelope, which he was instructed not to open until after her death. When he did so, two days after her death, he found that it contained a letter telling Brian that he was to hold the shares on trust for Jane, Rita's long time companion. Rita has also told Luke that the house when received was to be held on trust for Rita's illegitimate daughter, Betty. The day before Rita's death, Luke was killed in a car crash.

Advise Jane and Betty. Support your answer with relevant cases.

(15 marks)

(Total: 25 marks)

QUESTION 3

A settlor, Mickey Mouse, executed a deed which tried to transfer 100 shares in Disney Bank to Goofy to hold on trust for Pluto. Later the settlor handed the share certificates to Goofy. To transfer shares, a change in ownership must be registered by the bank, but this was never done either by Mickey Mouse or Goofy, even though Goofy had a power of attorney to act for Mickey Mouse.

Discuss. (Total: 25 marks)

QUESTION 4

"Where property is conveyed to persons in circumstances in which they are intended to take as trustees, then, if no beneficial interests are declared, they will hold on resulting trust for the grantor."- Jill E Martin, Modern Equity (London: Sweet & Maxwell, 2012), at p.266.

Using case laws, assess the above statement in relation to its application in practice.

(Total: 25 marks)

Continued...

QUESTION 5

(a) Explain the maxim " Equity looks upon that as done which ought to be done". To what extent (if any) does this maxim operate to impose trust on any person? (8.5 marks)

(b) Explain the maxim "He who comes to equity must come with clean hands." Support your answer with examples. (8.5 marks)

(c) Explain the maxim "Delay defeats equity." Support your answer with examples. (8marks)

(Total: 25 marks)

End of page.